



DRAFT HANGAR LEASE AGREEMENT

THIS LEASE AGREEMENT, is entered into this _____ day of _____, _____, by and between the County Commissioners for St. Mary's County, (the "Lessor"), a body corporate and politic, having its principal place of business at 23115 Leonard Hall Drive, Leonardtown, Maryland 20650; and _____, (the "Lessee"), a(n) _____ [individual(s)/ corporation/partnership/LLC] whose _____ [address is/principal office is located at] _____:

IN WITNESS WHEREOF, in consideration of the premises, the mutual covenants contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. Lease of Hangar Area. Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor Area _____ (the "Leased Premises"), as shown in Exhibit A, located in Building No. 6, as shown on the approved Airport Layout Drawing (the "Hangar"), at Captain Walter Francis Duke Regional Airport at St. Mary's (the "Airport"), for the purpose of storing/parking the following aircraft (the "Aircraft").

Aircraft Make _____
Aircraft Model _____
Aircraft Year _____
Aircraft Registration Number _____
Aircraft Serial Number _____
Aircraft Registered Owner(s) _____
Aircraft Owner Address & Phone Number (if different from Lessee) _____

Distinguishing Aircraft Markings _____
Quantity and ID of Airport Access Keys _____
Valid Registration Certificate _____
Assigned Area _____

2. Leased Premises. The ground area comprising the Leased Premises shall be Area _____ as depicted on Exhibit A, attached hereto, in the Hangar.

3. Permitted Uses.

a. Storage of lockboxes, other storage bins, units, crates, boxes, tools, parts, and other articles necessary for Lessee's maintenance of the aircraft may be stored on the Leased Premises.

b. The Lessee agrees not to deposit, discharge, or release waste, fuel, oil or other petroleum products or fractions at the Captain Walter F. Duke Regional Airport at St. Mary's or on the Leased Premises and not to use the Leased Premises for any unlawful purpose, or for any purpose that may constitute a nuisance.

c. Aircraft fueling may only be performed in accordance with St. Mary's County Airport Rules and Minimum Standards, as amended from time to time. Self-fueling is not allowed on the Leased Premises.

d. Except as otherwise provided herein, Lessee shall only use the Leased Premises for the storage of the aircraft in the area designated in this Lease Agreement and shall not take or use any other area at the Airport that is not part of the Leased Premises, unless the Lessee has an additional lease agreement with Lessor.

4. Term. The term of this Lease Agreement is for a period of one (1) month commencing _____. Commencement date is considered to be the first day of each month, and lease payments, as set forth below, will not be pro-rated for partial months. This Lease Agreement will automatically renew on a month-to-month basis upon completion of the initial month unless sooner terminated in accordance with the terms of this Lease Agreement.

5. Termination. Either party may terminate this Lease Agreement upon thirty (30) days prior written notice.

6. Lease Amount and Payment.

a. The Lease Amount is \$4.20 per square foot, for a total of \$_____ per month for the Leased Premises, due and payable on the first of each month.

b. A security deposit equal to one month's Lease Amount must be paid upon execution of this Lease Agreement. Except as otherwise set forth, this deposit will be refunded upon termination of the Lease Agreement.

c. All lease payments and deposits are to be made payable to the Board of County Commissioners for St. Mary's County and sent to the Fiscal Supervisor, Department of Public Works and Transportation, P.O. Box 508, California, Maryland 20619. An additional fee for returned checks in the amount of \$25 will be assessed for any payment not honored by the issuing financial institution.

d. Rental payments not received in full by the tenth (10th) of the month will be subject to a late fee of ten percent (10%) of the unpaid rent. If the Lease Amount is delinquent by thirty (30) days or more, the Lessee will be

in default, and this Lease Agreement will automatically terminate. As a penalty, Lessor reserves the right to seek damages for unpaid rent and any necessary repairs to the Leased Premises. Upon termination, the Lessor may apply the security deposit, and any interest accrued thereon and not paid over to the Lessee, to any or all damages sustained and any Lease Amount past due.

e. At any time after termination due to default, Lessor may resume possession of the Leased Premises by any lawful means.

f. Termination by Lessee without the required thirty (30) day notice will result in forfeiture of the Lessee's security deposit.

7. Right of Ingress and Egress. Lessee shall have the right of ingress to and egress from the Leased Premises, provided access to the airfield is not otherwise reasonably restricted by the Lessor. The Lessee understands that the Airport may be closed on a temporary basis and/or that airport use restrictions may be imposed, from time to time, for reasons including, but not limited to, hazardous conditions, special events, safety, security, noise, and environmental issues. In addition, the Lessee shall comply with any safety and security planning efforts reasonably adopted by the Lessor.

8. Conditions.

a. The Aircraft assigned to the Leased Premises must be identified in this Lease Agreement as required by Section 1 above.

b. The Leased Premises is to be maintained by Lessee in a good state of repair and in the same condition, with exception of normal wear and tear, as of the day Lessee took possession of the Leased Premises, or as upgraded during the term of this Lease Agreement.

c. Lessee will be responsible for the clean up of any hazardous or other material spills from Lessee's aircraft, vehicles, or containers.

d. The Leased Premises may not be sublet or assigned without the prior written consent of the Lessor.

e. The Leased Premises is for general aviation related storage only and no commercial operations (including but not limited to any aeronautical service provided to the public and Fixed Base Operator ("FBO") activities) are permitted without a separate lease with the County Commissioners for St. Mary's County.

f. Lessee may not make alterations, additions, or improvements to or about the Leased Premises, without the written consent of Lessor.

- g. This Lease Agreement is strictly a rental agreement and creates no rights in the Leased Premises or the Airport apart from those specifically set forth in this Lease Agreement.
- h. Lessor reserves the right to require the Lessee to temporarily relocate his/her aircraft to an occupied Area of the hanger or an outside tie-down location for Airport safety, security, operational or maintenance purposes. In a non-emergency situation, if, after notice by Lessor, Lessee is not available to move the aircraft, Lessor may move the aircraft without liability, using its best efforts to prevent damage. During the period of relocation, Lessee will be charged the lesser amount of: the Lease Amount due under the Lease Agreement or the lease amount for the unoccupied area in the hanger or tie-down space Lessee's Aircraft is occupying.
- i. Lessor reserves the right to inspect the Leased Premises without notice to Lessee.
- j. Lessee understands that it is possible that, in the future, the Airport may revert to the federal government. To the extent that Lessee's rights to the Leased Premises are affected by such a reversion, Lessee agrees to seek redress from the federal government.
- k. Lessee shall place aircraft wheel chocks under the wheels of the Aircraft when it is on the Leased Premises. Chocks may be contour, pyramid, wedge, or "D" block in shape and shall be made of aluminum, wood, recycled rubber or urethane, and shall be painted yellow. Minimum dimensions and weight shall be as follows: width, eight (8) inches; length, three and one-half (3½) inches; height, two and three-eighths (2-3/8) inches; weight, one and one-half (1½) pounds. Chocks may be paired with yellow rope, cable or affixed with individual cable loop handles.
- l. Maintenance. Lessee and Lessor shall be responsible for maintenance and repairs to the Leased Premises as set forth below:
1. Lessee shall be responsible to cover the cost of any repairs necessitated by the negligence or willful misconduct of the Lessee, its agents, employees, or guests. Such repairs shall be undertaken by the Lessor, and Lessee will be assessed the amount of the repairs, and will be expected to immediately remit payment.
 2. General maintenance and repair of the Hangar, not caused by negligence or willful misconduct of the Lessee, its agents, employees, or guests, will be the responsibility of Lessor.
 3. If maintenance/repairs are the responsibility of the Lessee, rent shall not be abated during the period of maintenance/repairs.
 4. If maintenance/repairs are the responsibility of the Lessor, and damage or scope of repairs render the Leased Premises

untenantable for a period of seven (7) days or more, Lessor shall make reasonable efforts to provide Lessee with space in an unoccupied area of the Hangar or a tie down space. Alternatively, the Lessee shall have the option to terminate this Lease Agreement by notifying the Lessor in writing of this election.

m. Pursuant to FAA Order 5190.6A, Airport Compliance Requirements, the Lessee, with its own equipment and employees or agents, shall be allowed to perform maintenance on the Aircraft within/on the Leased Premises, provided that it is not done in a manner that would be unsafe, unsightly, or detrimental to the efficient use of the airport facilities by others. Lessee will dispose of used oil or hazardous waste only in approved receptacles. Approved receptacles may not be available at the Airport, in which case the Lessee must remove the oil or hazardous waste from the Airport for proper disposal.

n. Prior to final approval of this Lease Agreement, the Lessee shall provide to the Lessor a copy of the Lessee's valid, current photographic identification/drivers license, and the requisite proof of aircraft ownership, insurance coverage and binder/terms for permanent record by the Lessor.

o. Keys. Lessor will provide Lessee with keys in order to access the Airport and the Hangar, subject to the following:

1. Each owner of the Aircraft shall be issued a proximity card reader in order to access the gate into the secure area of the Airport. Absent exigent circumstances, access shall be twenty four hours a day, seven days a week. A refundable deposit of fifteen dollars (\$15.00) per key will be required per proximity card reader.
2. Each owner of the Aircraft shall be issued a separate key for the Hangar in order to access the Aircraft.
3. Proximity card readers and keys shall be issued upon submission of all of the information and copies of documents required by this Lease Agreement, any required deposits, and first month's rent. Proximity card readers and keys are to be returned to the Airport Manager upon termination of this Lease Agreement, at which time the \$15.00 deposit will be refunded. If a proximity card reader or key is lost or stolen, this should be immediately reported to the Airport Manager. The proximity card reader deposit may be forfeited and a new deposit required before issuance of a new proximity card reader or readers.

9. Default. Except as provided above in paragraph 6, if Lessor defaults in the performance of its duties or obligations as required under the terms of this Lease Agreement, and if Lessor fails to remedy any such default in a manner reasonably

satisfactory to Lessee within fourteen (14) days following receipt of Lessee's written notice to remedy said default, Lessee may immediately terminate this Lease Agreement, with written notice to Lessor. If Lessee defaults in the performance of its duties or obligations as required under the terms of this Lease Agreement, and if Lessee fails to remedy any such default in a manner reasonably satisfactory to Lessor within fourteen (14) days following receipt of Lessor's written notice to remedy said default, Lessor may immediately terminate this Lease Agreement, with written notice to Lessee.

10. Operation of Aircraft. The Lessee is responsible for operating the Aircraft on the Airport in accordance with the applicable Federal and Maryland Aviation Administration laws, rules, regulations, and advisory circulars and opinions. In addition, the Lessee agrees to make reasonable efforts to comply with the established Fly Quiet Program, as amended from time to time, attached hereto as Exhibit B. Lessee has read, understands and agrees to comply with the St. Mary's County Airport Rules and Minimum Standards adopted on August 16, 1994, as amended from time to time, incorporated herein, and attached as Exhibit C. Lessee will receive written notice of any proposed change(s) to the Rules and Minimum Standards as required under local Ordinances, and will be provided with copies of any amendments to the St. Mary's County Airport Rules and Minimum Standards.

11. Indemnification. The parties agree to indemnify each other as follows.

- a. Lessee agrees to indemnify, defend and hold Lessor harmless from and against any and all injury, loss, damage, liability claims, costs or expenses, including reasonable attorneys' fees and court costs, arising directly or indirectly out of the use, maintenance, or repair of the Leased Premises or Lessee's breach of any provision of this Lease Agreement, except to the extent attributable to the intentional act or omission of Lessor, its employees, agents or independent contractors.
- b. Lessor's obligations under this section are contingent upon: (i) its receiving prompt written notice of any event giving rise to an obligation to indemnifying the other party, and (ii) Lessee granting Lessor the right to control the defense and settlement of the same.

12. Surrender of Possession. On the expiration or other termination of this Lease Agreement, Lessee's rights to use of the Leased Premises shall cease and Lessee shall immediately vacate the Leased Premises and surrender all keys. If Lessee remains on the Leased Premises beyond the expiration or other termination date, Lessee shall be considered as holding over, and shall remain liable for payment of the Lease Amount, and for complying with all the terms of this Lease Agreement. Lessor retains the right to take any lawful action to regain possession of the Leased Premises. Except as otherwise provided in this Lease Agreement, all fixtures, improvements, equipment and other property bought, installed, erected, or placed in the Leased Premises by the Lessee shall remain the property of Lessee. Lessee shall have the right to remove these fixtures,

improvements, equipment and other property prior to the expiration or termination of this Lease Agreement; however, the Lessee shall be responsible for any damage caused by such removal. Title to fixtures, improvements, equipment and other property not removed as of the expiration or termination of this Lease Agreement, shall vest in Lessor.

13. Insurance. Subject to paragraph 23, the parties agree to maintain the following insurance coverage:

a. Lessee shall maintain continuous liability insurance coverage on the Aircraft that is subject to this Lease Agreement. Aircraft insurance coverage shall be not less than the requirements of *Transportation Article* § 5-1002 of the Maryland Annotated Code, as amended from time to time. In the event that the aircraft is kept in an un-flyable condition, insurance must include "Ground, not in motion" coverage. At or prior to the effective date of this Lease Agreement, the Lessee shall provide Lessor with a certificate showing proof of required insurance. Lessee will be required to certify the required insurance coverage by filling out and signing a Maryland Department of Transportation Insurance Record (MAA-210) Form and providing a copy to the Airport Manager. Lessee shall notify Lessor of any change in the insurance coverage and will do so within five (5) business days after effective date of the change.

b. Lessor is currently maintaining Hangar Keeper's Insurance in the amount of five million dollars (\$5,000,000) limit each for personal property and personal injury, per any one occurrence of damage, and one million dollars (\$1,000,000) limit per any one aircraft. Subject to the provisions of paragraph 23, Lessor will continue to maintain such insurance.

14. Notice. All notices and requests required or authorized under this Lease Agreement shall be in writing and sent by certified mail, return receipt requested, or hand delivered to the noticed party. Notices to Lessee shall be to the address for that party as stated in the beginning of this Lease Agreement. Notices to Lessor shall be to Airport Manager, Department of Public Works and Transportation or Airport, P.O. Box 508, California, Maryland 20619. The date on which any such notice is received by the addressee shall be deemed the date of notice. Should either party change addresses, that party shall notify the other party within seven (7) days after the change.

15. Waiver. Either party's failure to enforce any provision of this Lease Agreement against the other party shall not be construed as a waiver thereof so as to excuse the other party from future performance of that provision or any other provision.

16. Severability. In the event any portion of this Lease Agreement is found to be unconstitutional, illegal, null or void, by a court of competent jurisdiction, it is the intent

of the parties to sever only the invalid portion or provision, and that the remainder of the Lease Agreement shall be enforceable and valid, unless deletion of the invalid portion would defeat the clear purpose of the Lease Agreement, or unless deletion of the invalid portion would produce a result inconsistent with the purpose and intent of the parties in entering into the Lease Agreement.

17. Governing Law. This Lease Agreement will be enforced in accordance with the laws of the State of Maryland.

18. Paragraph Headings. The headings to the paragraphs to this Lease Agreement are solely for convenience and may have no substantive effect on the Lease Agreement nor are they intended to aid in the interpretation of the Lease Agreement.

19. Subordination of Agreement. This Lease Agreement shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport.

20. Entire Agreement. This Lease Agreement constitutes the entire agreement between the parties. No statements, promises, or inducements made by any party to this Lease Agreement, or any agent or employees of either party, which are not contained in this written contract shall be valid or binding. This Lease Agreement may not be enlarged, modified, or altered except in writing signed by the parties.

21. Local Government Tort Claims Act. By entering into this Lease Agreement, the Lessor and its "employees" as defined in the Local Government Tort Claims Act, Section 5-301 et seq. of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland do not waive sovereign immunity, do not waive any defenses and do not waive any limitations of liability as may be provided for by law. No provision of this Lease Agreement modifies and/or waives any provision of the Local Government Tort Claims Act.

22. Third Party Beneficiary. It is specifically agreed between the parties executing this Lease Agreement that it is not intended by any of the provisions of this Lease Agreement to create in the public or any member thereof, third party beneficiary status in connection with the performance of the obligations herein without the written consent of the Lessor and notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof in fulfilling the obligations of the Lease Agreement.

23. Sufficient Appropriations. The County's financial obligations, if any, under this Lease Agreement are contingent upon sufficient appropriations and authorization being made by the County for the performance of this Lease Agreement. The County's decision as to whether sufficient appropriations are available shall be accepted by the other party or parties to this Lease Agreement, and shall be final.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement the day and year first above written.

LESSOR: COUNTY COMMISSIONERS
FOR ST. MARY'S COUNTY, for
the Use of Captain Walter Francis
Duke Regional Airport at St. Mary's

By: _____

Airport Manager

Printed Name: _____

Date: _____

Reviewed for Form and Legal Sufficiency:

(Name)

County Attorney

STATE OF Maryland,

COUNTY OF St. Mary's, to wit:

On this ____ day of _____, 200_, personally came before me, a notary public of the State and County aforesaid, _____, known to me or on oath affirmed to be the Airport Manager of the Captain Walter F. Duke Regional Airport at St. Mary's County, and he/she acknowledged the foregoing instrument to be a duly authorized act and deed of the Lessor.

Notary Public

Print Name: _____

My Commission Expires: _____

ATTEST:

LESSEE

(Name)

By: _____

Printed Name: _____
Title:: _____
Date:_____

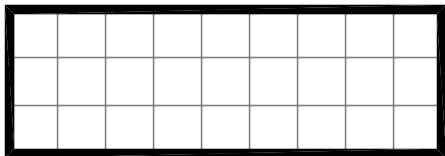
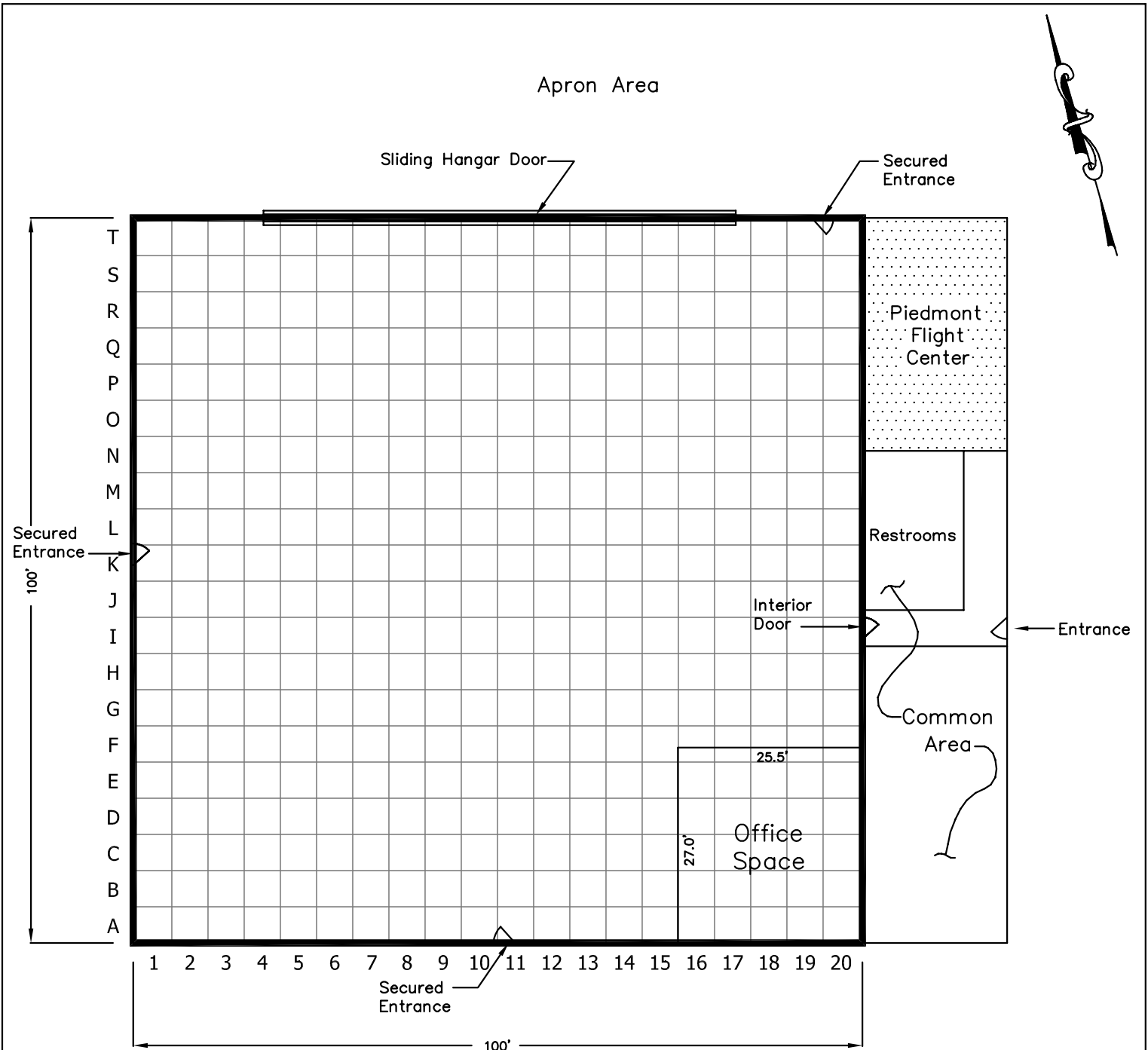
STATE OF MARYLAND, St. Mary's County, to wit:

I HEREBY CERTIFY that on this ____ day of _____, 200__ before the undersigned, a Notary Public of the state and county aforesaid, personally appeared, _____, and he/she acknowledged the foregoing Lease Agreement to be his/her voluntary act and deed of the Lessee.

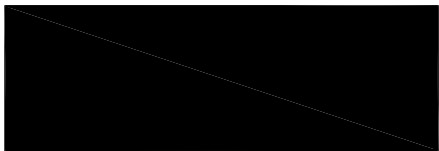
WITNESS my hand and Notarial seal.

NOTARY PUBLIC

My commission expires: _____



LEASEABLE AREA (5' x 5' GRID)



LEASED PREMISES (_____ S.F.)

LEASED PREMISES — HANGAR BUILDING NO. 6	REVISION	
	DATE	DESCRIPTION
	9-8-03	ADD GRID LAYOUT AND TEXT
EXHIBIT ” A ”		
ST. MARY’S COUNTY AIRPORT 6th ELECTION DISTRICT ST. MARY’S COUNTY, MARYLAND	SCALE: 1”=20’	DATE: 8-05-03
	DRAWN: AMS	CHECKED: GAE
	DWG. NO.:	